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IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1943.

No. 652

CLEO SYRUP CORPORATION,
Petitioner,

vs.

THE COCA-COLA COMPANY,
Respondent.

PETITION FOR WRIT OF CERTIORARI

and

BRIEF IN SUPPORT THEREOF.

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PETITION FOR WRIT OF CERTIORARI.

To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioner, Cleo Syrup Corporation, prays that a writ of certiorari issue to review the judgment of the United States Circuit Court of Appeals for the Eighth Circuit entered December 28, 1943, in the above-entitled cause.

A certified transcript of the record in this case, including the proceedings in the Circuit Court of Appeals, is furnished herewith, in compliance with Rule 38 of this Court.

SUMMARY AND SHORT STATEMENT OF THE MATTER INVOLVED.

Since in or about 1935, petitioner has been marketing under the name Cleo Cola a soft drink syrup and a soft drink or beverage made therefrom.

Since in or about 1887, respondent and its predecessors in business have been marketing under the name Coca-Cola a syrup and a soft drink or beverage made therefrom.

In 1942, respondent instituted this proceeding in the United States District Court at St. Louis, Missouri, alleging that petitioner, in and by its use of the name Cleo Cola in connection with its syrup and beverage, was infringing respondent's trade-mark and good-will rights under the name Coca-Cola for respondent's syrup and beverage and was unfairly competing with respondent in the sale of its Coca-Cola syrup and beverage, and praying an injunction in the premises.

In its answer, petitioner denied the charge or allegation of trade-mark infringement and unfair competition and, among other defenses, alleged "that the syrup or beverage merchandised or sold by plaintiff", respondent, "under the name or phrase 'Coca-Cola' is misbranded under and within the meaning of the Federal Food, Drug, and Cosmetic Act and particularly Section 343 and the several sub-paragraphs or divisions thereof" (R. 1128-1129), and that hence plaintiff, respondent, was not entitled to any relief, even if the Court should find infringement by petitioner, defendant, of plaintiff's, respondent's, trade-mark or good-will rights.

The Record is conclusive that the word "Coca", continuously since at least as early as 1872, has been, and continues to be, the generic term, the descriptive name, the common appellative, the official name recognized by the United States Pharmacopoeia, of a drug possessing definite properties and characteristics and of which cocaine is the principal element or constituent.

The syrup and beverage merchandised under the name Coca-Cola by respondent and its predecessors initially contained as an element or constituent "the valuable tonic and nerve stimulant properties of the coca plant" (R. 424-425, 434, 2075, 2122), but admittedly (R. 1370) had not for many years prior to the institution of this proceeding embodied, as an element or ingredient, cocaine or other "valuable tonic and nerve stimulant properties of the coca plant".

The Federal Food, Drug, and Cosmetic Act of 1938, Section 343, provides that—

> "A food shall be deemed to be misbranded—
>
> "(a) If its labeling is false or misleading in any particular."

Hence petitioner's defense that the application by respondent of the name Coca-Cola to respondent's syrup and beverage from which the principal or active element of the coca plant is absent and omitted constitutes a misbranding under the provisions of the Federal Food, Drug and Cosmetic Act of 1938.

By its decree (R. 2177), the District Court enjoined petitioner from using, in connection with the manufacture or sale of any soft drink or soft drink syrup, the name Cleo Cola as at the date of its decree by petitioner used and displayed. The District Court, however, failed to make any findings of fact or conclusions of law with respect to the special defense of misbranding, by petitioner set up in its answer and which petitioner endeavored to establish in and by the proofs and evidence in this cause.

In its appeal before the United States Circuit Court of Appeals for the Eighth Circuit, petitioner again asserted, as a defense in this cause, "That the name or phrase Coca-Cola, as used and applied by appellee," respondent, "on and in connection with its soft drink syrup and beverages made therefrom, is inherently false and deceptive

and violative of and contrary to the public interest and the public policy of this country," as made known and declared by the Federal Food, Drug, and Cosmetic Act of 1938—"that hence appellee," respondent, "is before the Court with unclean hands and consequently entitled to no consideration, respect, or relief whatsoever" (R. 2208-2209).

The Court of Appeals affirmed the decree of the District Court and in its opinion, in commenting on petitioner's defense of misbranding, said (R. 2209)—

> "The business, the trade-mark, and the product of the plaintiff are all so well known that they do not require description. The trade-mark 'Coca-Cola' has long since come to mean the beverage produced and sold by the plaintiff. To the public generally, the trade-mark means nothing else. The question raised by the defendant's second contention was effectively put to rest by the Supreme Court of the United States in Coca-Cola Company v. Koke Company of America (1920), 254 U. S. 143, in which that court said (p. 145 of 254 U. S.)—
>
> > "'* * * Whatever may have been its original weakness, the mark (Coca-Cola) for years has acquired a secondary significance and has indicated the plaintiff's (Coca-Cola Company's) product alone.'
>
> "And (p. 146)—
>
> > "'* * * The name (Coca-Cola) now characterizes a beverage to be had at almost any soda fountain. It means a single thing coming from a single source, and well known to the community. It hardly would be too much to say that the drink characterizes the name as much as the name the drink. In other words Coca-Cola probably means to most persons the plaintiff's familiar product to be had everywhere rather than a compound of particular substances. Although the fact did not appear in United States v. Coca-Cola Co., 241 U. S. 265, 289, we see no reason to doubt that, as

> we have said, it has acquired a secondary meaning in which perhaps the product is more emphasized than the producer but to which the producer is entitled.'
>
> "See also Dixi-Cola Laboratories v. Coca-Cola Co., 4 Cir., 117 F. 2d 352, 354 (certiorari denied 314 U. S. 629). One certainly cannot be charged with misbranding or misdescribing a product by calling it what it is. There is no merit in the contention that a court of equity will not afford protection to the plaintiff's trade-mark or prevent its good will from being nibbled away by unfair competitors."

Neither this Court nor the public in general is particularly interested or concerned in whether or not petitioner's trade-mark or name Cleo Cola, even as at any time by petitioner used and displayed, infringes or trespasses any trade-mark or good-will rights that respondent may have in, to, or under the name or phrase Coca-Cola.

Petitioner believes and submits, however, that the public generally is greatly interested in knowing whether or not respondent's syrup and beverage, which admittedly does not contain cocaine, the principal ingredient of coca, is, by reason of the denominating use thereon by respondent of the word Coca, misbranded under the provisions, or within the meaning, of the present Federal Food, Drug and Cosmetic Act.

Petitioner humbly submits that the Court of Appeals has taken an erroneous view of the situation under the pleadings and evidence in this cause. Hence this petition.

JURISDICTION.

1. This is an action arising under the trade-mark laws of the United States, Judicial Code, Title 15, Section 81 *et seq.*, and is between citizens of different States wherein the amount involved is in excess of Three Thousand Dollars ($3,000.00), exclusive of interest and costs.

2. The jurisdiction of this Court is invoked under Section 98, Title 15, of the Judicial Code, and also by reason of the public importance of the questions involved.

3. The date of the judgment which petitioner seeks to have reviewed is December 28, 1943.

4. Among the cases supporting the jurisdiction to issue the writ, where questions of federal law of far reaching public importance are involved, even where there are no conflicting decisions, are—

Muncie Gear Works v. Outboard Marine & Mfg. Co., 315 U. S. 759;
Mishawaka Rubber & Woolen Mfg. Co. v. Kresge Co., 316 U. S. 203;
Morton Salt Co. v. G. S. Suppiger, 314 U. S. 488;
The Mercoid Corporation v. Mid-Continent Investment Company *et al.*, 64 S. Ct. 268.

QUESTIONS PRESENTED.

1. May rights in the nature of trade-mark or good-will rights be, in view of the provisions of the Federal Food, Drug, and Cosmetic Act of 1938, successfully asserted in or to a descriptive word or name—a word or name having a dictionary meaning, when applied and used for a long period of time upon a product from which the element or constituent indicated by the dictionary meaning of such word or name is absent or omitted and to the nature of which product such word or name is hence inherently false?

2. Does the word Coca, as employed by respondent on a soft drink or beverage from which the principal constituent of the coca plant is absent and omitted, constitute a misbranding under and within the meaning of the Federal Food, Drug, and Cosmetic Act of 1938, even if it be that such word has come in a secondary sense to indicate respondent's syrup and beverage?

REASONS FOR GRANTING THE WRIT.

Petitioner submits that the questions here presented are indeed of great public interest and present phases of the federal statutes having to do with trade-marks and with foods, drugs, and cosmetics, which have not heretofore been, but which should be, settled by this Court.

Wherefore, it is respectfully submitted that the writ of certiorari should be issued to the United States Circuit Court of Appeals for the Eighth Circuit, to the end that the questions presented may be reviewed by this Court, that the judgment of the Circuit Court of Appeals be reversed, and that petitioner have such other and further relief in the premises as may be proper.

Respectfully submitted,

RALPH KALISH,
Attorney for Petitioner.

PAUL L. HALE,
Of Counsel.

BRIEF

In Support of Petition for Writ of Certiorari.

OPINIONS OF THE COURTS BELOW.

The opinion of the District Court is embodied in the Record, pp. 2173-2177. That opinion, however, is of no moment here, for, while the questions here were presented to the District Court, that Court failed to discuss or even mention such questions in its opinion.

The opinion of the Circuit Court of Appeals for the Eighth Circuit has not as yet been officially reported. It is found at pages 2208-2214 of the Record and is interesting here only in its statement, previously quoted, with respect to the questions here presented.

GROUNDS ON WHICH JURISDICTION IS INVOKED.

The date of the judgment to be reviewed and the grounds on which the jurisdiction of this Court is invoked are set forth at pages 5-6 of the accompanying petition, to which reference is respectfully made.

STATEMENT OF THE CASE.

Reference is respectfully made to the petition, which contains a brief summary of the material facts in this cause.

SPECIFICATION OF ERRORS.

The errors which petitioner will urge if the writ of certiorari is issued are that the Court of Appeals for the Eighth Circuit erred—

1. In failing to hold that the word Coca is the descriptive name of a drug the principal ingredient of which is cocaine.

2. In failing to hold that the syrup and soft drink merchandised under the name Coca-Cola are foods, within the meaning of the Federal Food, Drug, and Cosmetic Act of 1938.

3. In failing to hold that the word Coca as used by respondent on a syrup or beverage from which the principal ingredient, namely, cocaine, of coca is absent, constitutes a misbranding under and within the provisions of the Federal Food, Drug, and Cosmetic Act of 1938.

4. In failing to hold that the word Coca as used and employed by respondent in connection with or upon a syrup or beverage from which the principal constituent, namely, cocaine, of coca is absent or omitted, is false or misleading as to the nature of such syrup or beverage, within the meaning of the provisions of the Federal Food, Drug, and Cosmetic Act of 1938.

5. In failing to hold that respondent, by reason of its use of the word Coca upon or in connection with a syrup or beverage from which the principal constituent, namely, cocaine, of coca is absent or omitted, has transgressed, and is transgressing, the public policy of this country as made known and declared by the Federal Food, Drug, and Cosmetic Act of 1938 and is hence before the Court with unclean hands and entitled to no relief in this cause whatsoever.

SUMMARY OF ARGUMENT.

This case presents some unique questions of public importance, which, so far as petitioner is aware, have never before been presented to this Court. It is believed that the questions presented and the reasons for granting the writ, as set forth in the foregoing petition, sufficiently summarize the argument.

ARGUMENT.

Coca—the Descriptive Name of a Drug.

The Court's attention is, at the outset, respectfully directed to petitioner's Exhibit 12, The National Formulary, 6th Edition, R. 1137-1141, to petitioner's Exhibit 13, A Manual of Pharmacology, R. 1143-1147, to petitioner's Exhibit 14, The Dispensatory of the United States, 22nd Edition, R. 1149-1159, to petitioner's Exhibit 15, Pharmacotherapeutics, R. 1161-1193, to petitioner's Exhibit 18, The Dispensatory of the United States, 13th Edition, R. 1205-1209, to petitioner's Exhibit 22, The Dispensatory of the United States, 18th Edition, R. 1227-1251, to petitioner's Exhibit 25, The National Dispensatory, 2nd Edition, R. 1269-1279, to petitioner's Exhibit 128, The Pharmacopoeia of the United States, 8th Revision, R. 2107-2115, to petitioner's Exhibits 113 to 118, both inclusive, R. 2035-2037, being everyday home and school dictionaries, to the testimony of respondent's chemist, Dr. Heath, R. 1333-1373, and to the testimony of petitioner's witnesses, Dr. Seil, Dr. Snyder, Dr. Hoover, and Mr. Mueller, R. 2042-2130.

All such various scientific works, publications, and testimony establish beyond the question of a doubt, petitioner respectfully submits, that the word Coca continuously since at least as early as 1872 has been, and continues to be, the generic term, the descriptive name, the common appellative, the official name of a cocaine source—of a drug possessing definite properties and characteristics and of which cocaine is the principal element or constituent.

The importation of coca, as well as also the use of coca and its active principle or ingredient cocaine, are regulated by federal statutes, more commonly known as the Federal Harrison Anti-Narcotic Act, U. S. C., Title 21, Chapter 6, and its various sections and sub-sections, and

it may be here remarked that the Federal Food, Drug, and Cosmetic Act of 1938, in Section 352 (d), specifically mentions coca as one of the drugs that requires special labeling.

Cocaine Initially an Ingredient or Element of Respondent's Coca-Cola Syrup and Beverage.

Respondent is the successor in business, in the manufacture and sale of the syrup and beverage which respondent puts out under the name Coca-Cola, of one Pemberton, and Pemberton, in the beginning of his business (R. 424-425, 434) described the forerunner of the present product in a label reading as follows and for which Pemberton obtained a copyright certificate of registration on or about June 6, 1887:

Coca-Cola

Syrup : : And : : Extract

For Soda Water and Other Carbonated Beverages

This "Intellectual Beverage" and Temperance Drink contains the valuable Tonic and Nerve Stimulant properties of the Coca plant and Cola — (or Kola) nuts, and makes not only a delicious, exhilarating, refreshing and invigorating Beverage (dispensed from the soda water fountain or in other carbonated beverages), but a valuable Brain Tonic, and a cure for all nervous affections—Sick Head-ache, Neuralgia, Hysteria, Melancholy, etc.

The peculiar flavor of Coca-Cola delights every palate; it is dispensed from the soda fountain in same manner as any of the fruit syrups.

J. S. Pemberton,
Chemist,
Sole Proprietor, Atlanta, Ga.

Such initial Pemberton label clearly and unmistakably represented, and it is not denied by respondent, that Coca-Cola syrup and extract did, as originally produced and marketed, embody cocaine, which is the stimulant or active ingredient of the coca plant (R. 2075, 2122).

The Word Coca Not a Trade-Mark at Common Law.

Definitely, it thus appears, the word Coca was not adopted and used by Pemberton for the purpose of indicating the origin, manufacture, or ownership of his "Intellectual Beverage and Temperance Drink", but was placed and used upon such drink to describe qualities, ingredients, or characteristics thereof. Clearly, therefore, petitioner submits, the word Coca, either alone or as part of the phrase Coca-Cola, is not, and never has been, a trade-mark technically or at common law. Lawrence Manufacturing Co. v. Tennessee Manufacturing Co., 138 U. S., 537; Canal Co. v. Clark, 13 Wall. (U. S.), 311; Amoskeag Mfg. Co. v. Trainer, 101 U. S., 51; Goodyear's India Rubber Glove Mfg. Co. v. Goodyear Rubber Co., 128 U. S., 598; Brown Chemical Co. v. Meyer, 139 U. S., 540; Columbia Mill Co. v. Alcorn, 150 U. S., 460; Standard Paint Co. v. Trinidad Asphalt Mfg. Co., 220 U. S., 446-453; Warner & Co. v. Lilly & Co., 265 U. S., 526.

This is conclusive, further, by reason of the fact that respondent obtained registration under the ten-year proviso of the Trade-Mark Act of 1905, respondent thereby, if not expressly, at least impliedly, admitting that, even as late as April, 1905, (R. 43) the word Coca or the phrase Coca-Cola was primarily descriptive of the syrup and drink upon which it was by respondent used and applied.

Petitioner does not here question the validity of respondent's registration (R. 43). Assuming such registration to be entirely good and valid, *and in the absence, and without for the moment considering the provisions, of the Federal Food, Drug, and Cosmetic Act of 1938*, respondent's

trade-mark Coca or Coca-Cola, from a strictly statutory trade-mark point of view and within the doctrine of such cases as Thaddeus Davids Co. v. Davids, 233 U. S., 159, and Armstrong Paint & Varnish Works v. Nu-Enamel Corporation, 305 U. S., 315, might be entitled to some equitable consideration. But respondent's Coca-Cola drink or beverage is admittedly (R. 1370) free from cocaine, and that fact and the enactment and presence of the Federal Food, Drug, and Cosmetic Act of 1938 vitally, petitioner submits, change the entire situation and remove any basis or foundation for any claim that respondent's mark is entitled to any equitable consideration or protection, even if, as the Court of Appeals said, it has acquired a secondary meaning in a trade-mark sense—has come to stand either for respondent or for respondent's product.

Coca-Cola a Food.

Respondent's Coca-Cola beverage is a food within the meaning of the Federal Food, Drug, and Cosmetic Act of 1938. United States v. Forty Barrels of Coca-Cola, (C. C. A. 6) 215 Fed., 540; Weeks v. United States, 224 Fed., 69; United States v. Ninety-Five Barrels Vinegar, 265 U. S., 438.

Coca, on Respondent's Syrup and Beverage, False.

The Court's attention is now respectfully directed to the distinct, clear, positive, uncontradicted, and unrebutted statements of petitioner's witnesses, Dr. Seil, Dr. Snyder, Dr. Hoover, and Mr. Mueller (R. 2061-2063, 2084-2088, 2119-2123, 2125-2127), men of the highest standing in their profession and men of long experience in matters pertaining to labeling of foods and drugs, to the effect that cocaine is the chief or active ingredient of coca, that since admittedly cocaine is not contained in respondent's syrup or beverage, then clearly the word Coca has no place in the name of such a product, and that hence the word Coca

on, or as part of the name of, respondent's syrup and beverage is unquestionably false or misleading, within the meaning, and under the provisions, of the Federal Food, Drug and Cosmetic Act of 1938.

This Court's Acquaintance With Coca-Cola.

Respondent's Coca-Cola syrup and beverage have been judicially before this Court on a number of occasions. Of such occasions, two are particularly of interest here. Those occasions are entitled—United States v. Forty Barrels and Twenty Kegs of Coca-Cola, May 22, 1916, 241 U. S., 264, and The Coca-Cola Company v. Koke Company of America, December 6, 1920, 254 U. S., 143.

The "Forty Barrels" case was a proceeding under the Food and Drug Act of June 30, 1906, United States Code, Title 21, Chapter 1. That Act, as your Honors may recall, exempted from its provisions as to misbranding foods sold under distinctive names, and in such "Forty Barrels" case, as your Honors will note, respondent's counsel there, taking advantage, in the protection of their client, of such proviso of the earlier Act of 1906, contended that the name Coca-Cola had even then acquired a secondary meaning and that as such had become distinctive.

This Court, by Justice Hughes, in reversing the lower courts, found—

> "The name 'Coca Cola' cannot be said as a matter of law to be distinctive rather than descriptive of a compound with coca and cola ingredients, so as to escape condemnation under the food and drugs act of June 30, 1906, § 8, as misbranded in case of the absence of either coca or cola, on the theory that it was within the protection of the proviso in that section that an article of food shall not be deemed to be misbranded in the case of 'mixtures or compounds which may be now or from time to time hereafter known as articles of food under their own distinctive

names,' if the distinctive name of another article is not used or imitated, and the name on the label or brand is accompanied with a statement of the place of production.

"A secondary significance cannot be attributed to the name 'Coca Cola,' as descriptive of a product known to be destitute of either of the products indicated by its primary meaning, so as to save it from condemnation under the food and drugs act of June 30, 1906, § 8, on the theory that it is within the protection accorded by the proviso in that section to food mixtures or compounds known under their own distinctive names."

In so finding, this Court said—

"A distinctive name is a name that distinguishes. It may be a name in common use as a generic name, *e. g.*, coffee, flour, etc. Where there is a trade description of this sort by which a product of a given kind is distinctively known to the public, it matters not that the name had originally a different significance. Thus, soda water is a familiar trade description of an article which now, as is well known, rarely contains soda in any form. Such a name is not to be deemed either 'misleading' or 'false', as it is in fact distinctive. But unless the name is truly distinctive, the immunity cannot be enjoyed; it does not extend to a case where an article is offered for sale 'under the distinctive name of another article.'" * * *

"If, in the present case, the article had been named 'Coca', and it were found that the name was actually descriptive in the sense that it fairly implied that the article was derived from the leaves of the coca plant, it could not be said that this was 'its own distinctive name' if in fact it contained nothing so derived. The name, if thus descriptive, would import a different product from the one to which it was actually affixed. And, in the case supposed, the name would not become the 'distinctive name' of a product without any coca ingredient unless in popular acceptation it came to be regarded as identifying a product known to be

of that character. It would follow that the mere sale of the product under the name 'Coca', and the fact that this was used as a trade designation of the product, would not suffice to show that it had ceased to have its original significance if it did not appear that it had become known to the public that the article contained nothing derived from coca. Until such knowledge could be attributed to the public, the name would naturally continue to be descriptive in the original sense. Nor would it be controlling that at the time of the adoption of the name the coca plant was known only to foreigners and scientists; for if the name had appropriate reference to that plant and to substances derived therefrom, its use would primarily be taken in that sense by those who did know or who took pains to inform themselves of its meaning. Mere ignorance on the part of others as to the nature of the composition would not change the descriptive character of the designation. The same conclusion would be reached if the single name 'Cola' had been used as the name of the product, and it were found that in fact the name imported that the product was obtained from the cola nut. The name would not be the distinctive name of a product not so derived until in usage it achieved that secondary significance.

"We are thus brought to the question whether, if the names coca and cola were respectively descriptive, as the government contends, a combination of the two names constituted a 'distinctive name' within the protection of the proviso in case either of the described ingredients was absent. It is said that 'coca' indicates one article, and 'cola' another, but that the two names together did not constitute the distinctive name of any other substance or combination of substances. The contention leads far. To take the illustration suggested in argument, it would permit a manufacturer, who could not use the name chocolate to describe that which was not chocolate, or vanilla to describe that which was not vanilla, to designate a mixture as 'Chocolate-Vanilla', although it was destitute of either or both, provided the combined name had not been

previously used. We think that the contention misses the point of the proviso. A mixture or compound may have a name descriptive of its ingredients or an arbitrary name. The latter (if not already appropriated) being arbitrary, designates the particular product. Names, however, which are merely descriptive of ingredients, are not primarily distinctive names save as they appropriately describe the compound with such ingredients. *To call the compound by a name descriptive of ingredients which are not present is not to give it 'its own distinctive name',—which dis-distinguishes it from other compounds,—but to give it the name of a different compound. That, in our judgment, is not protected by the proviso, unless the name has achieved a secondary significance as descriptive of a product known to be destitute of the ingredients indicated by its primary meaning.*

"In the present case we are of opinion that it could not be said as matter of law that the name was not primarily descriptive of a compound with coca and cola ingredients, as charged. Nor is there basis for the conclusion that the designation had attained a secondary meaning as the name of a compound from which either coca or cola ingredients were known to be absent; the claimant has always insisted, and now insists, that its product contains both."

The italics are petitioner's and emphasize the language of this Court in its decision in that case to the effect that the Food and Drug Act of 1906, by such distinctive name proviso only, petitioner submits, did protect, as against the charge of misbranding, under that Act, such misdescriptive name as a distinctive name if such misdescriptive name had achieved a secondary meaning. The Federal Food, Drug, and Cosmetic Act of 1938, however, petitioner submits, does not embody any such proviso and does not hence exempt from its provisions and condemnation any such names even if they have achieved a secondary meaning.

On the other occasion of interest here when respondent's Coca-Cola drink or beverage received the consideration of this Court, the respondent here was the petitioner there and alleged that its Coca-Cola syrup and beverage had acquired the nickname "Koke" and that respondent there was infringing this respondent's established trade-mark and good-will rights, not under the name or phrase Coca-Cola, but under the nickname "Koke". In other words, and it should be borne in mind, the respondent in that case was not charged with infringing the trade-mark or name Coca-Cola, but was charged with infringing a nickname; yet, in passing on that question, this Court, by Justice Holmes, more or less in the nature of *obiter dictum*, as it would appear to petitioner, employed the language quoted in this case by the Court of Appeals (R. 2209). In the opinion of this Court in that case, as reported in 254 U. S., 143, petitioner fails to find any reference whatsoever as to whether or not the name Coca did at that time, and in connection with respondent's syrup and beverage, constitute a misbranding even under the Food and Drug Act of 1906. All that is said in this Court's opinion in that case with respect to the Food and Drug Act of 1906 is this—

> "Before 1900 the beginning of the good will was more or less helped by the presence of cocaine, a drug that, like alcohol or caffein or opium, may be described as a deadly poison or as a valuable item of the pharmacopoea, according to the rhetorical purposes in view. The amount seems to have been very small, but it may have been enough to begin a bad habit, and after the Food and Drug Act of June 30, 1906, if not earlier, long before this suit was brought, it was eliminated from the plaintiff's compound."

It should also be borne in mind, if the Court will please pardon the repetition, that in the "Forty Barrels" case, this respondent contended that the name Coca-Cola, as

applied upon its syrup and beverage, did not constitute a misbranding under the Food and Drug Act of 1906—that the name Coca-Cola as applied to its drink was a distinctive name and as such came within the "distinctive name" clause, and hence did not come within the condemnation, of the Food and Drug Act of 1906,—an Act repealed and now replaced by the Federal Food, Drug, and Cosmetic Act of 1938, which is totally barren of any such protecting distinctive name proviso.

Federal Food, Drug, and Cosmetic Act of 1938.

We are now living, if the Court please, in a progressive age, with food and drug laws more effective and more rigid than ever before. As the result of public demand, laws have been enacted that require accurate and truthful labeling, particularly of foods and drugs, so that the users may be truthfully and accurately advised, not so much as to the source, but more specifically as to the nature and character, of the products they use. In that spirit, with that intent, and for that purpose, the Congress enacted in 1938-1939 a statute entitled "Federal Food, Drug, and Cosmetic Act", United States Code, Title 21, Chapter 9.

Sub-chapter III, § 331, of that Act provides, among other things, that—

> "The following acts and the causing thereof are hereby prohibited:
>
> "(a) The introduction or delivery for introduction into interstate commerce of any food, drug, device, or cosmetic that is adulterated or misbranded.",

and so Congress declared that it was contrary to the public interest that a misbranded food be introduced or delivered for introduction into interstate commerce, and, by the way, there is no denial in this cause that respondent's Coca-Cola syrup and beverage are in large quantities shipped or introduced into interstate commerce.

That Act, sub-chapter IV, § 343, further provides that—

"A food shall be deemed to be misbranded—

"(a) If its labeling is false or misleading in any particular."

"Regulation. (§ 2.7) (a) Among representations in the labeling of a food which render such food misbranded is a false or misleading representation with respect to another food or a drug, device, or cosmetic.

"(b) The labeling of a food which contains two or more ingredients may be misleading by reason (among other reasons) of the designation of such food in such labeling by a name which includes or suggests the name of one or more but not all such ingredients, even though the names of all such ingredients are stated elsewhere in the labeling."

Webster's New International Dictionary of the English Language, Second Edition, published in 1941 at Springfield, Massachusetts, by G. & C. Merriam Company, sets forth (page 1568)—

"misbrand, v. t. Com. To brand falsely; specific., to brand, as containers of drugs or foodstuffs, in contravention of statutory requirements".

And, according to Words and Phrases, Permanent Edition, Volume 16, page 109, "false" means that which is not true.

It is submitted, therefore, that it is entirely clear and perfectly sound that if, for instance, this respondent had for the first time shortly after the enactment of the Federal Food, Drug, and Cosmetic Act of 1938, put out a syrup or beverage under the name Coca-Cola, knowing that the syrup or beverage did not contain coca or the chief or active principle of coca, this respondent would be subject to the penalties of the present Act, for certainly, so adopted and used, the word coca would be false or misleading, to say the least, and would, beyond the question of a doubt, then constitute a misbranding.

This Court, in the case of United States v. Ninety-Five Barrels of Apple Cider Vinegar, *supra*, where the Court had under consideration the former Food and Drug Act of 1906, said—

> "The statute is plain and direct. Its comprehensive terms condemn every statement, design, and device which may mislead or deceive. Deception may result from the use of statements not technically false, or which may be literally true. The aim of the statute is to prevent that resulting from indirection and ambiguity, as well as from statements which are false. It is not difficult to choose statements, designs, and devices which will not deceive. Those which are ambiguous and liable to mislead should be read favorably to the accomplishment of the purpose of the act. The statute applies to food, and the ingredients and substances contained therein. It was enacted to enable purchasers to buy food for what it really is. United States v. Schider, 246 U. S. 519, 522, 62 L. Ed. 863, 865, 38 Sup. Ct. Rep. 369; United States v. Lexington Mill & Elevator Co., 232 U. S. 399, 409, 58 L. Ed. 658, 661, L. R. A. 1915B, 774, 34 Sup. Ct. Rep. 337; United States v. Antikamnia Chemical Co., 231 U. S. 654, 665, 58 L. Ed. 419, 424, 34 Sup. Ct. Rep. 222, Ann. Cas. 1915A, 49."

In the case of United States v. Schider, 246 U. S., 519, this Court had for consideration the question of whether a food contained in a bottle labeled "Compound Ess Grape" was misbranded under the Federal Food and Drug Act of 1906, in that the label indicated a true grape product, when, as a matter of fact, the article was not such, but an imitation artificially prepared,—one which contained nothing from grapes. In finding misbranding, the Court stated—

> "We have heretofore said: 'The purpose of the act is to secure the purity of food and drugs and to inform purchasers of what they are buying. Its provisions

are directed to that purpose and must be construed to effect it.' United States v. Antikamnia Chemical Co., 231 U. S. 654, 665, 58 L. ed. 419, 424, 34 Sup. Ct. Rep. 222, Ann. Cas. 1915A, 49. 'The legislation, as against misbranding, intended to make it possible that the consumer should know that an article purchased was what it purported to be; that it might be bought for what it really was, and not upon misrepresentations as to character and quality.' United States v. Lexington Mill & Elevator Co., 232 U. S. 399, 409, 58 L. ed. 658, L. R. A. 1915B, 774, 34 Sup. Ct. Rep. 337. And see United States v. Coca Cola Co., 241 U. S. 265, 277, 60 L. ed. 995, 1001, 36 Sup. Ct. Rep. 573, Ann. Cas. 1917C, 487.

"The stuff put into commerce by defendant was an 'imitation', and, if so labeled, purchasers would have had some notice. To call it 'compound essence of grape' certainly did not suggest a mere imitation, but, on the contrary, falsely indicated that it contained something derived from grapes. See Frank v. United States, 113 C. C. A. 188, 192 Fed. 864. The statute enjoins truth; this label exhales deceit."

In the case of Worden & Co. v. California Fig Syrup Co., 187 U. S., 516, this Court, in finding that the name or term "Syrup of Figs" was calculated to induce the public falsely to believe that fig juice was an important element in the composition upon which the name was used, said—

"Even if it were true that, at the time the medicine in question was first made and put upon the market, the juice of figs was so largely used as one of the ingredients, as to have warranted the adoption of the name 'Syrup of Figs' as descriptive of the nature of the medicine, that would be no justification for continuing the use of the term after the manufacturers and vendors of the medicine ceased to use fig juice as a material ingredient. Even if the term was honestly applied in the first instance, as descriptive, it would none the less be deceptive and misleading when, as is

shown in the present case, it ceased to be a truthful statement of the nature of the compound. Nor are we disposed to concede that, under the evidence in the present case, the term 'Syrup of Figs' or 'Fig Syrup' was properly used as descriptive of the nature of the medicine when it was first made. Then, as now, the operative laxative element was senna, and the addition of fig juice was, at the best, experimental, and apparently was intended to attract the patronage of the public by holding out the name of the medicine as 'Syrup of Figs'." * * *

"That the complainant company, years after it had established a popular demand for its product, issued statements in medical journals and newspapers and circulars, that the medical properties of their compound were derived from senna, does not relieve it from the charge of deceit and misrepresentation to the public. Such publications went only to giving information to wholesale dealers. The company by the use of the terms of its so-called trade-mark on its bottles, wrappers, and cartons continued to appeal to the consumers, out of whose credulity came the profits of their business. And, indeed, it was the imitation by the defendants of such false and misleading representations that led to the present suit."

The Federal Food, Drug, and Cosmetic Act of 1938 is equally plain and direct, and this Court's remarks with respect to the earlier Act of 1906 are equally applicable to the later Act of 1938.

One Cannot Acquire a Right by His Own Wrong—Coca on Respondent's Beverage a Misbrand Under the Food, Drug, and Cosmetic Act of 1938.

Continuing for years a practice statutorily condemned, the question arises, and now is,—does the fact that this respondent has employed the word Coca in connection with its drink for a long number of years take the drink

out of the statute, or does the long use by respondent of the word Coca on its drink, notwithstanding the fact that the drink does not contain coca or its chief constituent, cocaine, create, as it may be said, an easement by which this respondent may walk over the statute without suffering any of the penalties therein provided?

A right cannot arise to one out of his own wrong, Booth v. Greer Investment Co., 7 Fed. Supp., 576; Pomeroy's Equity Jurisprudence, 4th Ed., Vol. 1, §§ 398, 401. And no one shall be permitted to found any claim upon his own iniquity or take advantage of his own wrong, Sterns Co. v. U. S., 291 U. S., 54.

The decisions of this Court in 1916 and 1920 in the "Forty Barrels" and "Koke" cases, to which petitioner has referred, were both rendered while the Federal Food and Drug Act of 1906 was in full force. Even then there was a serious question in the mind of the Court that the word Coca constituted a misbranding with respect to respondent's syrup and beverage, respondent's name Coca-Cola only escaping condemnation by virtue of the distinctive name clause of that Act. Those decisions of this Court must be, it is respectfully submitted, construed and considered in the light of the terms of that statute.

The laws and public policy of this country advance and change. As an instance, for many years the decision of this Court in the case of Leeds & Catlin Company v. Victor Talking Machine Company, 213 U. S., 301, 318, was authority for the conclusion that he who sells an unpatented part of a combination patent for use in the assembled machine may be guilty of contributory infringement, but under the just rendered decision of this Court in the case of The Mercoid Corporation v. Midcontinent Investment Company *et al.*, *supra*, the rule of the Leeds & Catlin case "must no longer prevail against the defense that a combination patent is being used to protect an unpatented part from competition."

And in the recent case of Morton Salt Co. v. G. S. Suppiger Company, 314 U. S., 488, this Court also said:

> "It is a principle of general application that courts, and especially courts of equity, may appropriately withhold their aid where the plaintiff is using the right asserted contrary to the public interest. Virginian Ry. v. Federation, 300 U. S. 515, 552; Central Kentucky Co. v. Commission, 290 U. S. 264, 270-73; Harrisonville v. Dickey Clay Co., 289 U. S. 334, 337-38; Beasley v. Texas & Pacific Railway Co., 191 U. S. 492, 497; Securities Comm'n v. U. S. Realty Co., 310 U. S. 434, 455; United States v. Morgan, 307 U. S. 183, 194." * * *
>
> "Undoubtedly 'equity does not demand that its suitors shall have led blameless lives', Loughran v. Loughran, 292 U. S. 216, 229; cf. Keystone Co. v. Excavator Co., 290 U. S. 240, 241-45, but additional considerations must be taken into account where maintenance of the suit concerns the public interest as well as the private interests of suitors." * * *
>
> "Maintenance and enlargement of the attempted monopoly of the unpatented article are dependent to some extent upon persuading the public of the validity of the patent, which the infringement suit is intended to establish. Equity may rightly withhold its assistance from such a use of the patent by declining to entertain a suit for infringement, and should do so at least until it is made to appear that the improper practice has been abandoned and that the consequences of the misuse of the patent have been dissipated.
>
> "The reasons for barring the prosecution of such a suit against one who is not a competitor with the patentee in the sale of the unpatented product are fundamentally the same as those which preclude an infringement suit against a licensee who has violated a condition of the license by using with the licensed machine a competing unpatented article, Motion Picture Patents Co. v. Universal Film Mfg. Co., supra, or against a vendee of a patented or copyrighted article for violation of a condition for the maintenance of resale prices, Adams v. Burke, 17 Wall. 453; Dobbs-

Merrill Co. v. Straus, 210 U. S. 339; Bauer & Cie v. O'Donnell, 229 U. S. 1; Straus v. Victor Talking Machine Co., 243 U. S. 490; Boston Store v. American Graphophone Co., 246 U. S. 8; cf. United States v. Gen. Elec. Co., 272 U. S. 476, 485. It is the adverse effect upon the public interest of a successful infringement suit in conjunction with the patentee's course of conduct which disqualifies him to maintain the suit, regardless of whether the particular defendant has suffered from the misuse of the patent. *Similarly equity will deny relief for infringement of a trademark where the plaintiff is misrepresenting to the public the nature of his product either by the trademark itself or by his label.* Manhattan Medicine Co. v. Wood, 108 U. S. 218; Worden v. California Fig Syrup Co., 187 U. S. 516; Leather Cloth Co. v. American Leather Cloth Co., 11 H. L. 522, 541-45; see also, for application of the like doctrine in the case of copyright, Edward Thompson v. American Law Book Co., 122 F. 922, 926; Stone & McCarrick v. Dugan Piano Co., 220 F. 837, 841-43. The patentee, like these other holders of an exclusive privilege granted in the furtherance of a public policy, may not claim protection of his grant by the courts where it is being used to subvert that policy.

"It is unnecessary to decide whether respondent has violated the Clayton Act, for we conclude that in any event the maintenance of the present suit to restrain petitioner's manufacture or sale of the alleged infringing machines is contrary to public policy and that the district court rightly dismissed the complaint for want of equity." (Italics ours.)

And so, with respect to foods, drugs, and cosmetics, the Food, Drug, and Cosmetic Act of 1938 proclaims the public policy of this country,—the public interest, it may be said, in the proper and correct labeling of foods, drugs, and cosmetics. And equity, likewise, will deny relief in a trade-mark infringement proceeding "where the plaintiff

is misrepresenting to the public the nature of his product, either by the trade-mark itself or by his label".

The Food, Drug, and Cosmetic Act of 1938 makes no exceptions whether the name be primary or secondary and whether the name in its primary or secondary significance indicates a certain product. Even if it be that respondent's syrup and beverage had become known under and by the name Coca-Cola, this Court will fail to find any evidence in this cause whatsoever that respondent's syrup and beverage are known to the public to be destitute of the ingredient coca indicated by that name. Indeed, the only evidence in this cause having to do with the consuming public's knowledge of the ingredients or constituents of the beverage designated and sold by and under the name Coca-Cola is to the effect that the public does not know its ingredients (R. 939).

This Court has had occasion to define so-called secondary meaning of a name or word in connection with a commercial product. Note, for instance, Elgin National Watch Company v. Illinois Watch Case Company, 179 U. S., 665, and Lawrence Mfg. Co. v. Tennessee Mfg. Co., 138 U. S. 537.

There is nothing obstruse or complicated about the theory. In summary, petitioner may say, the secondary meaning doctrine confers an exclusive right upon the owner of a mark to use that mark in a trade-mark sense despite its original inapplicability as a technical trade-mark under the common law and registration statutes. In this sense, therefore, such a mark can very well become exclusive property and good against the world. In other words and simply, the name or mark becomes a good trade-mark from the commercial point of view, but it is submitted that that fact does not relieve that mark from meeting the general public policy of the country as made known and declared by its Food, Drug, and Cosmetic Act,

or permit that name or mark to escape the requirements of that Act that it must not be false or misleading in any particular with respect to the nature of the product upon which it is denominatively used and applied. Perhaps it may be that the name Coca-Cola may have acquired a secondary meaning in which the product is more emphasized than the producer, but to which the producer is entitled, and even if it be that the name Coca-Cola means to most persons the respondent's familiar product, those facts, it is again submitted, do not remove from that mark the statutory requirement that the mark must be truthful, so far, at least, as respects the product's ingredients or constituents made known by the primary meaning of the word.

The Circuit Court of Appeals says that "One certainly cannot be charged with misbranding or misdescribing a product by calling it what it is." It is submitted that the Court of Appeals is in error in so finding. Respondent's syrup or beverage may, in a trade-mark sense, be called Coca-Cola, but yet, petitioner respectfully submits, the product would still be misbranded or misdescribed in that Coca, as applied to the beverage, is false or misleading, within the meaning of the Federal Food, Drug, and Cosmetic Act, as to the nature of the product.

Let us suppose that a concern puts out a product initially composed of milk and chocolate and names the product "Milk Chocolate." The concern builds a demand for the product under the name "Milk Chocolate," and during such period the name "Milk Chocolate" is neither false nor misleading in any respect as to the ingredients or nature of the product. The concern then first removes the cream from the milk, using skimmed milk, and still employs the name "Milk Chocolate." Then later the concern dilutes the skimmed milk with water by one-half or more and still calls the product "Milk Chocolate." Through the course of years, the product has

become known as "Milk Chocolate." In other words, the name "Milk Chocolate" has come, through its secondary meaning, to indicate the product. Milk is as definite a food product as coca is a drug. How could the medical, chemical, veterinary, dental, and nursing professions tolerate a secondary meaning when such secondary meaning could only be a purposeful device or plan to conceal inferiority and truth? Is the Court prepared to say that such a product is not misbranded within the meaning of the present Federal Food, Drug, and Cosmetic Act?

Again, a baker might put out a whole wheat bread loaf and call it "Whole Wheat Bread." Later the baker substitutes 25% white flour for whole wheat flour and still calls the product "Whole Wheat Bread." Subsequently the baker reduces the product to 50% whole wheat flour and finally removes all the whole wheat flour and makes the product out of white flour and still calls the product "Whole Wheat Bread." Through a long course of years, the product continues to be known and purchased as "Whole Wheat Bread". Is the Court prepared to say that the phrase "Whole Wheat Bread", as applied to such bread, is neither false nor misleading?

Nux Vomica without strychnine, Digitalis without its active principles, coffee without its caffeine content, sugar-cane without its sugar constituent, and coca without its chief element, cocaine, are no longer Nux Vomica, Digitalis, coffee, sugar-cane, or coca, respectively, and if labeled as Nux Vomica, Digitalis, coffee, sugar-cane, or coca, the active principles having been removed, would, petitioner respectfully submits, constitute flagrant violations of the Federal Food, Drug, and Cosmetic Act of 1938.

If this Court would examine the records in Washington of the Federal Food and Drug Bureau, your Honors would find many instances where names of foods and drugs of quite some prominence and of equal value to their respective owners as is Coca-Cola to this respondent have been

changed to meet the changing situation arising under the Federal Food, Drug, and Cosmetic Act of 1938.

Names of foods and drugs are not capable, it is submitted, of acquiring a secondary meaning under the provisions of the Federal Food, Drug, and Cosmetic Act of 1938. Under such a theory, the successful practice of medicine, chemistry, dentistry, pharmacy, veterinary, or nursing would indeed be impossible, for then the names of foods and drugs used in the practice of such professions would not accurately indicate the nature or ingredients thereof,—would not signify definite standards of strength and quality. That is just one of the objects that the Federal Food, Drug, and Cosmetic Act of 1938 is intended to accomplish. Congress saw the necessity of such legislation—enactment of the Act followed. As is stated in Toulmin on the Law of Foods, Drugs, and Cosmetics, § 131, "No one can escape the charge of mislabeling or adulteration on the ground that his product is clearly labeled or is sold under a distinctive name, and therefore in tests for purity and other qualities is not to be subject to established standards."

So, here, let it be assumed that when a person asks for Coca-Cola, he expects to get Coca-Cola and the product of the respondent. And let it also be assumed that the drink characterizes the name as much as the name the drink. Let it be assumed even that the name had in 1920, during the life of the Food and Drug Act of 1906, acquired a secondary meaning, in which perhaps the product was more emphasized than the producer. Such assumptions cannot, it is submitted, change or nullify or soften the now broad policy of this Government, as proclaimed in the present Food, Drug, and Cosmetic Act, that one must be truthful in setting forth upon the label or labeling the nature of his product.

In the "Fig Syrup" case, *supra*, plaintiff was merchandising a medicinal product under the name "Syrup of

Figs", and when the public asked for "Syrup of Figs", the public received "Syrup of Figs". The name characterized the product and the product characterized the name. In denying relief, Justice Shiras, in a very interesting decision, said—

> "that where any symbol or label claimed as a trademark is so constructed or worded as to make or contain a distinct assertion which is false, no property can be claimed in it, or, in other words, the right to the exclusive use of it cannot be maintained."

Here, petitioner submits, there is direct, inherent falsity in the word Coca as applicable to or as indicating the nature, as distinct from the source, of respondent's product. All of the proofs in this cause are to such effect. There is not an iota of testimony or proof to the contrary. Hence, the use and employment of the word Coca on or in connection with respondent's soft drink and soft drink beverage is, petitioner respectfully submits, the constant repetition of a false statement, false when made for the first time when respondent removed the drink's initial cocaine content and false ever since,—the length of time during which respondent has so employed the word Coca on its drink in the absence of any cocaine content therein cannot, petitioner respectfully submits, change the falsehood into truth, so as to remove the drink from the ban of the Statute.

To now uphold Coca-Cola, notwithstanding the terms of the Federal Food, Drug, and Cosmetic Act of 1938, is to say, petitioner submits, that respondent has acquired surmounting equitable rights, by constant repetition for a long number of years, in or to a statement false indeed as to the nature of its product,—is to give the aid and assistance of this Court in enabling respondent to benefit and profit in and by its own wrong,—is to hold that one may acquire equitable rights, which will have the respect and enforcement of a Court of Equity, in or to a

word or name, initially truthful and subsequently false with respect to the nature of the product upon which it is employed, through or by its repetition over a number of years.

In the case of Johnson & Johnson v. Seabury & Johnson, 67 Atl. 36, the Chancery Court, in holding that, if the plaintiff makes any material false statement in connection with the property he seeks to protect, he loses and very justly the right to claim the assistance of a Court of Equity, mostly aptly said—

> "There is no question about the principle that a false representation in a trade-mark will prevent equitable relief for its protection. The cases cited by the defendant are with one exception cases where the false representation was contained in a trade-mark itself. In such a case, it is quite impossible to determine to what extent good-will for which protection is sought has been created by the false assertion; and to afford protection to a trade-mark containing a false representation would perpetuate the falsehood by the decree of the Court."

Hence, indeed, whether the public, on a request for Coca-Cola gets Coca-Cola, and whether the public knows that the drink Coca-Cola has its source with respondent, those facts, if they be the facts, cannot, petitioner submits, in the slightest change the inherent falsity, under the statute, of the name or word Coca as indicative or as connotating the nature of respondent's product,—in truth and in fact, the word Coca does not any more truthfully indicate the nature of respondent's drink than did the phrase "Syrup of Figs" indicate the nature of the medicinal product condemned by this Court in the Syrup of Figs case, *supra.*

Under the present Food, Drug, and Cosmetic Act of 1938, an article is misbranded if it is not the identical thing that the statement on the label indicates it to be.

United States v. Dr. David Roberts Veterinary Co., 104 Fed. (2nd), 785.

False or misleading in any particular. A dictionary or truthful meaning, and a secondary or untruthful meaning.

Even if it be that the name Coca-Cola has come to have a secondary significance as indicating the product of respondent, yet the word Coca, in its true dictionary meaning, is, when applied to and upon respondent's drink, false in its indication of the nature or ingredients or contents of respondent's drink. Hence the word Coca, as applied upon such drink, is at least false in that particular. A secondary meaning of the phrase Coca-Cola in connection with respondent's drink may remove the objection of trade-mark descriptiveness, but not the statutory objection of misbranding.

Admittedly this is not a criminal case for the direct enforcement of the Food, Drug, and Cosmetic Act. No, but just as this Court, in the Morton Salt Company case, *supra*, declined, by reason of an inequitable act of the patent owner, to lend its assistance in the enjoining of infringement of a valid patent, petitioner submits this Court should issue the writ prayed, to the end that the Court of Appeals should decline to grant injunctive relief to this respondent by reason of its inequitable act in conducting its specific business contrary to the public policy of this country as proclaimed by the Food, Drug, and Cosmetic Act of 1938.

As this Court said in the Morton Salt Company case, *supra*, "Equity will deny relief for infringement of a trade-mark where the plaintiff is misrepresenting to the public the nature of his product either by the trade-mark itself or by his label".

Petitioner respectfully submits that, even if the name Coca-Cola has acquired a secondary trade-mark meaning

as indicating either respondent or the product of respondent, such fact does not change or eliminate the misrepresentation that is embodied in that name in its application to and upon respondent's present drink—the misrepresentation to the public of the nature of such drink—the misrepresentation of the nature of the drink as distinct from the representation as to the source of the drink.

CONCLUSION.

Petitioner realizes the seriousness to respondent and its business should this Court issue the writ for which petitioner now prays and subsequently uphold petitioner in its defense. The public interest, however, is of far greater and more transcendent moment than is the interest of any one particular person or concern. The Federal Food, Drug, and Cosmetic Act of 1938 makes no exceptions and is as applicable to respondent and its product as it is applicable to the smallest concern and its products. If this Court, in its wisdom, should hold that one may acquire rights that remove the applicability to him of the terms of a general statute comparable to the Federal Food, Drug, and Cosmetic Act of 1938, then this Court will, of course, deny the writ. On the other hand, if this Court, in its wisdom, should conclude that even this respondent, in the use of the word Coca or the name Coca-Cola upon or in connection with its present soft drink and soft drink syrup, upon a product from which the principal ingredient, namely, cocaine, of coca is removed and omitted, is violating the terms of the Federal Food, Drug, and Cosmetic Act of 1938, that the word Coca as applied to and upon respondent's present drink is, within the meaning and intent and spirit of such Act, false or misleading as to the nature or constituents of the drink, then the Court will issue the writ.

Wherefore, your petitioner prays that its petition be granted, that the writ of certiorari be issued and the cause reviewed, and that the decree of the Circuit Court of Appeals for the Eighth Circuit be reversed.

Respectfully submitted,

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IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1943.

No. 652

CLEO SYRUP CORPORATION,
Petitioner,

vs.

THE COCA-COLA COMPANY,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

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IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1943.

No.....,

CLEO SYRUP CORPORATION,
Petitioner,

vs.

THE COCA-COLA COMPANY,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

SUPPLEMENTAL STATEMENT OF THE MATTER INVOLVED.

The defendant, Cleo Syrup Corporation, and petitioner herein, was convicted of infringement and unfair competition by the District Court, and the decree was affirmed by the Circuit Court of Appeals.

Not content with the use of the infringing name "Cleo Cola," the defendant displayed its name on the crown or stopper of the bottle in red letters on a white background, the color scheme used by the plaintiff for many years, and the defendant copied the distinctive script in which plaintiff's trademark had been written for many years. The District Court found that the design and appearance of

defendant's successive trademarks warrant the conclusion that the defendant intentionally by progressive steps altered its original trademark for the purpose of simulating and imitating the plaintiff's trademark (R. 2172), and that "the sensible, logical conclusion is that the present similarity was premeditated and intentional. Under these circumstances an infringement may be presumed, but in this particular case there is no occasion for resorting to presumption" (R. 2175).

The defendant attacked the validity of plaintiff's mark and the validity of its registration and claimed that the mark was not entitled to protection because the plaintiff is guilty of "unclean hands" for alleged misbranding. The lower court concluded that the trademark "Coca-Cola" is valid and that the mark was validly registered, but did not deem the defense of "unclean hands" of sufficient moment to require special mention. This was equivalent to an implied finding of fact that the plaintiff is not guilty of misbranding. The use of the name "Cleo Cola" was enjoined and the order for an accountng was withheld "unless on motion of plaintiff it be shown that the continued infringement is imminent or that the past actions of the defendant makes an accounting appropriate and necessary."

The two primary defenses insisted on in the lower court, that the trademark "Coca-Cola" is invalid and that the registration is invalid, have now been abandoned and the petition for certiorari in this case rests alone upon the assertion that the trademark "Coca-Cola" is not entitled to protection because it is alleged that the use of that name as a trademark is in conflict with the Federal Food, Drug and Cosmetic Act of 1938, Section 343 of which prohibits the use of false or misleading labels.

In the lower court plaintiff's syrup labels (DX2, R. 1315; DX3, R. 1317; DX4, R. 1319; DX9, R. 1351) were chal-

lenged as violative of the Federal Food, Drug and Cosmetic Act. The label stated: "A compound syrup; prepared with caffeine, extractives from coca leaves (cocaine removed) and cola nuts, and other flavoring material; colored with caramel."

The defendant's attack on the label was voiced by several expert witnesses, who criticized severely the use of the word "extractives." It was claimed that the word "extractives" was not informative enough and that to make the word informative it is necessary to say "what it is extracted with" (R. 2100-01).

The defendant now seems to have abandoned that ground of attack and rests its petition for certiorari solely upon the ground that the mere use by plaintiff of its well-established trademark "Coca-Cola" constitutes a violation of the Food, Drug and Cosmetic Act of 1938.

Mr. Justice Holmes pointed out:

> "Of course a man is not to be protected in the use of a device the very purpose and effect of which is to swindle the public. But the defects of a plaintiff do not offer a very broad ground for allowing another to swindle him. The defense relied on here should be scrutinized with a critical eye." [1]

That language applies to this defendant, who has been convicted of commercial dishonesty by two courts and is seeking to escape the consequences of its own wrongful acts by invoking an interpretation of the Pure Food and Drug Act, whereas neither the District Court nor the Circuit Court of Appeals under the facts found it necessary to make any interpretation of that statute or any application of it.

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[1] Coca-Cola Co. v. Koke Co., 254 U. S. 143, 145.

THE DEFENDANT'S BASIC POSITION.

The defendant quarrels, not because the plaintiff's product is harmful, but because it is not harmful. The defendant seeks permission to trespass unlawfully upon plaintiff's good will, to take by fraud complainant's business, not because complainant's product contains cocaine, but because it does not. The defendant asserts error because both courts below fail to find that the public expects cocaine when ordering plaintiff's product when in fact the product contains none. Universal experience supplies the answer to this contention. Indeed, the defendant's position perverts the purposes of the law under which defendant seeks a shelter for its fraud, and, in the language of Mr. Justice Holmes, does "not offer a very broad ground for allowing another to swindle him."

No far-reaching question of public interest can arise out of that miasmic and fraudulent background. Certainly the defendant's right to "reap where it has not sown" is not of such paramount importance as to require that the misbranding statute should be construed to sanction that which is harmful and to condemn that which is innocent. The implications of defendant's argument reach that far.

What this defendant is really asking this Court to do is to go through the record to determine whether the two lower courts committed error in determining, as a matter of fact, that the plaintiff is not guilty of "unclean hands," in the hopes perchance that defendant's misconduct may receive judicial sanction and license.

THE MEANING OF WORDS.

> "It is not the trade meaning, nor even the dictionary meaning, of a term or expression, which governs in unfair competition cases. It is the meaning which, under the condition and circumstances usually attend-

ing sales, would be conveyed to the ordinary purchaser of the article in question. In this respect, the law is the same as in the cases of misbranding or mislabeling." [1]

"Language used in the label is to be given the meaning ordinarily conveyed by it to those to whom it was addressed." [2]

The meaning of "Coca-Cola" has been judicially determined by this Court. The argument that this defendant now makes was met by this Court many years ago. In meeting the argument, that the trademark Coca-Cola "imports a representation that has ceased to be true," this Court, speaking through Mr. Justice Holmes, said:

"The name now characterizes a beverage to be had at almost any soda fountain. It means a single thing coming from a single source, and well known to the community. It hardly would be too much to say that the drink characterizes the name as much as the name the drink. In other words, Coca-Cola probably means to most persons the plaintiff's familiar product, to be had everywhere, rather than a compound of particular substances." [3]

Moreover, the meaning of Coca-Cola to the public is thoroughly authenticated by the defendant's own witnesses. Defendant's expert witness, Muller, was not only a chemist but a retail druggist. He for many years had sold complainant's product under the trademark Coca-Cola and he stated without equivocation that, when Coca-Cola was called for, it was universally true with all of his customers that they wanted complainant's product (R. V. III, 2130). That fact is nowhere contradicted. It is merely a reitera-

[1] Standish Mfg. Co. v. Champion Spark Plug Co., 282 Fed. Rep. 961, l. c. 968, C. C. A., 8th Circuit;
Royal Baking Powder Co. v. Emerson, 270 F. 429, 435.

[2] Hall v. United States, 267 F. 795.

[3] Coca-Cola Co. v. Koke Co., 254 U. S. 143, 146.

tion by the ordinary purchaser of Mr. Justice Holmes' statement that "Coca-Cola probably means to most persons plaintiff's familiar product to be had everywhere rather than a compound of particular substances."

That principle was applied and tersely stated by the Circuit Court of Appeals:

> "One certainly cannot be charged with misbranding or misdescribing a product by calling it what it is" (R. 2209).

MISBRANDING UNDER THE FOOD AND DRUG ACT OF 1906 AND THE CORRESPONDING FOOD, DRUG AND COSMETIC ACT OF 1938.

There is no substantial difference between the definition of misbranding under the Food and Drug Act of 1906 (21 U. S. C. A., Pars. 9 and 10) and the definition of misbranding under the Food, Drug and Cosmetic Act of 1938 (21 U. S. C. A., Sec. 343). In the latter act the definition is stated with greater conciseness, but each act condemns labeling which "is false or misleading in any particular."

Under the Food and Drug Act of 1906 certain articles sold "under their own distinctive names shall not be considered misbranded." This provision was eliminated from the Food, Drug and Cosmetic Act of 1938, but the elimination of that defense did not in any sense broaden the definitive scope of the act.

In United States v. Coca-Cola Co., 241 U. S. 265, the charge was made under the Food and Drug Act of 1906 that the plaintiff's product was adulterated and misbranded. The contention that the plaintiff's product was sold under its "own distinctive" name was sustained by the lower court as a matter of law (191 F. 431; 215 F. 535).

This Court reversed, holding that the question was one of fact. The Court recognized that a distinctive name was a name that had acquired a secondary meaning but that

meaning must be proved. United States v. Coca-Cola Co., 241 U. S. 265, 289.

But in the latter case, Coca-Cola Co. v. Koke Company, 254 U. S. 143, this Court recognized that Coca-Cola had acquired a secondary meaning. Mr. Justice Holmes, speaking for this Court, said:

> "Whatever may have been its original weakness, the mark for years has acquired a secondary significance, and has indicated the plaintiff's product alone. * * *
>
> "Although the fact did not appear in United States v. Coca-Cola Co., 241 U. S. 265, 289, we see no reason to doubt that, as we have said, it has acquired a secondary meaning in which, perhaps, the product is more emphasized than the producer, but to which the producer is entitled."

This case comes to this:

> "A word means what people understand it to say and there is an end of it." [1]

People understand "Coca-Cola" to mean plaintiff's product — not a compound of substances — "there is an end of it."

THE QUESTION RAISED BY THIS DEFENDANT IS AN OLD ONE.

The exact question was made in the Koke case (254 U. S. 143). In that case the defendant in its answer set up that plaintiff's goods were misbranded and the Food and Drug Act of 1906 was relied upon. The arguments that were made in that case were made in this case.

The Circuit Court of Appeals very properly stated in this case:

> "The question raised by the defendant's second contention was effectively put to rest by the Supreme

[1] Coty v. LeBlume Import Co., 292 F. 264, 266.

Court of the United States in Coca-Cola Company v. Koke Company of America (1920), 254 U. S. 143, in which that Court said (p. 145 of 254 U. S.):

> "'* * * Whatever may have been its original weakness, the mark (Coca-Cola) for years has acquired a secondary significance and has indicated the plaintiff's (Coca-Cola Company's) product alone.'"

The defendant really rests its position on what it terms "a progressive age." The progress that the defendant is contending for is the right to commit a fraud—such a wrong should not be established as a right. It can hardly be said that a decision now which would license a fraud has progressed over a decision which in 1920 condemned the fraud. The progress that the defendant is contending for is progress in retrogression.

Certainly if the Pure Food and Drug Administration is satisfied with respondent's acts defendant should be, especially when this Court has already passed upon this issue, and the decree is interlocutory.

Respectfully submitted,

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